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**Counsel for Compass USA SPE, LLC  
 and Compass Financial Partners, LLC**

**UNITED STATES BANKRUPTCY COURT  
 DISTRICT OF NEVADA**

In re:  
 USA COMMERCIAL MORTGAGE COMPANY,  
 Debtor.

Case No. BK-S-06-10725 LBR  
 Case No. BK-S-06-10726 LBR  
 Case No. BK-S-06-10727 LBR  
 Case No. BK-S-06-10728 LBR  
 Case No. BK-S-06-10729 LBR

In re:  
 USA CAPITAL REALTY ADVISORS, LLC,  
 Debtor.

In re:  
 USA CAPITAL DIVERSIFIED TRUST DEED  
 FUND, LLC,  
 Debtor.

Chapter 11

Jointly Administered Under  
 Case No. BK-S-06-10725 LBR

In re:  
 USA CAPITAL FIRST TRUST DEED FUND,  
 LLC,  
 Debtor.

**DECLARATION IN SUPPORT OF  
 EX PARTE APPLICATION FOR  
 ORDER SHORTENING TIME TO HEAR  
 EMERGENCY MOTION OF COMPASS  
 FINANCIAL PARTNERS, LLC  
 FOR ORDER PURSUANT TO  
 11 U.S.C. §§ 105 AND 1141  
 ENFORCING CONFIRMATION ORDER  
 AND FOR CIVIL CONTEMPT  
 SANCTIONS**

In re:  
 USA SECURITIES, LLC,  
 Debtor.

Date: OST Requested  
 Time: OST Requested

Affects:  
☐ All Debtors  
☒ USA Commercial Mortgage Company  
☐ USA Securities, LLC  
☐ USA Capital Realty Advisors, LLC  
☐ USA Capital Diversified Trust Deed Fund,  
 LLC  
☐ USA First Trust Deed Fund, LLC

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1           Georganne W. Bradley, Esq., of the law firm of Bullivant Houser Bailey PC, under  
2 penalty of perjury, hereby declares on this 25<sup>th</sup> day of May, 2007, as follows:

3           1.       Compass USA SPE LLC, and its servicer, Compass Financial Partners, LLC  
4 (collectively, "Compass"), by and through their attorneys of record, is filing contemporaneously  
5 herewith an Emergency Motion of Compass Financial Partners, LLC For Order Pursuant to 11  
6 U.S.C. §§ 105 and 1141 Enforcing Confirmation Order and for Civil Contempt Sanctions (the  
7 "Motion"), and an Ex Parte Application for Order Shortening Time to hear the Motion.

8           2.       By and through its Motion, Compass is asking this Court to enforce the  
9 Confirmation Order by ordering that the effectiveness of the Threat Letters (defined below) and  
10 the Termination Letters (defined below) will be stayed pending an evidentiary hearing before  
11 this Court at which the Direct Lenders will be given the opportunity to demonstrate that the  
12 purported termination of the Loan Servicing Agreements is proper procedurally and  
13 substantively under the terms of the relevant Loan Servicing Agreements. Compass submits  
14 that the actions recently taken by Donna Cangelosi, Kevin Hansen, and the Lender Protection  
15 Group (collectively, the "LPG") were taken in willful disregard of this Court's orders.  
16 Accordingly, Compass is asking this Court to impose civil contempt sanctions against the LPG.

17           3.       The Motion was filed as a result of a series of actions recently taken by the LPG.  
18 Specifically, on May 18, 2007, Cangelosi, as the manager of the manager of more than 50  
19 recently established limited liability companies, which were apparently established to acquire  
20 and hold interests of Direct Lenders in each of the loans being serviced by Compass (the "New  
21 LLCs"), sent a letter to each borrower under the corresponding loan stating that "Compass is not  
22 authorized to act on behalf of the lenders of the Loan for any purpose whatsoever", and warning  
23 the borrowers that "[a]ll payments made to Compass shall be at your own peril" (the "Threat  
24 Letters"). In each letter, Cangelosi directs the borrowers to make all loan payments to a newly-  
25 established Nevada limited liability company, Lender 2 Lender, LLC, which was created on  
26 May 16, 2007 by or through the LPG's attorney. In addition, on the same day, Cangelosi sent  
27 letters to Compass advising Compass of the purported termination of its rights to service the  
28 subject loans (collectively, the "Termination Letters"). Moreover, on May 21, 2007, each of the

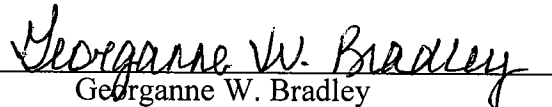
1 New LLCs, represented by the LPG's lawyer, filed a complaint in the United States District  
 2 Court for the District of Nevada against Compass, its principals, and its lenders, seeking  
 3 declaratory relief and damages, claiming that they have an absolute right to replace Compass as  
 4 the servicer of the loans, without regard to Compass' rights under the Confirmation Order  
 5 and/or the Loan Servicing Agreements. Compass believes that the relief requested in the U.S.  
 6 District Court action would invalidate provisions of this Court's Confirmation Order.

7 4. I am informed and believe that payments under a significant number of loans  
 8 become due at the beginning of June. I am further informed and believe that Compass has  
 9 already received communications from borrowers expressing confusion as to the legitimacy and  
 10 effect of the Threat Letters and others have refused to acknowledge Compass as the servicer of  
 11 their Loans. Absent immediate intervention by the Court, the most recent efforts of the LPG  
 12 may have their intended effect: to potentially render the Loan Servicing Agreements valueless  
 13 and to create confusion among the borrowers. Indeed, the borrowers are immediately faced  
 14 with the difficult decision of whether to remit timely payments to Compass, to the newly created  
 15 Lender 2 Lender entity, or to not remit payment at all.

16 5. Notice can be shortened pursuant to Bankruptcy Rule 9006(c)(1) and LR  
 17 9006(a).

18 6. For the reasons stated above, Compass is requesting that the Court grant its  
 19 application for an order shortening time to hear the Motion on or before June 1, 2007.

20 Dated this 25th day of May, 2007.

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 22 Georganne W. Bradley  
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